

EXHIBIT 6
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Xandr Future of Advertising_July 2020_Full.pptx

Hurd, Doug-Imported Data\REDACTED Strategy Team General\Xandr Future of Advertising_July 2020_Full.pptx

Annual Planning Timeline



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Future of Advertising Timeline



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Future of Advertising: 2020 – 2021 Executive Summary



- **As a result of audience fragmentation and technology advancement, advertising has moved from context to audiences, and with this evolution, the core constituents in the advertising ecosystem have developed distinct, yet complementary needs**
 - Buyers are searching for a simple way to reach consumers via a converged, brand-safe advertising solution that maximizes return on investment
 - Publishers are becoming more reliant on advertising to fund content creation, and require data and technology to improve monetization
 - Consumers are demanding more media and are becoming increasingly open to more relevant and less disruptive advertising models to help them gain access
- **These trends are fueling disruptive ad growth, though Xandr's core market (traditional tv, advanced tv, digital video, and display) is limited in scale and highly competitive, requiring focus to reduce reliance on display and traditional TV and increase scale in advanced tv and digital video, while positioning for growth in emerging digital formats**
 - In the US, Xandr's core formats of TV and digital video is projected to exhibit limited gains, growing at ^{REDACTED} CAGR through 2024, as the redistribution of linear dollars advanced TV and digital video fails to offset linear declines¹
 - To meaningfully grow in the space, Xandr must obtain share from established players, leading in the higher growth areas of Advanced TV and digital video
 - Xandr can fuel additional growth through targeted international expansion as international growth is expected to outpace that of the US, with Xandr's available TV, video, and display market is expected to shift from ^{REDACTED} US in 2020 to ^{REDACTED} in 2024¹
 - Longer term, Xandr must look to complementary segments and formats where dollars are being reallocated, as emerging formats continue to grow and outpace the market with Digital OOH (^{REDACTED} CAGR), Digital Audio (^{REDACTED} CAGR), and Gaming (^{REDACTED} % CAGR) projected to comprise ^{REDACTED} of Xandr's available market in 2024¹
- **As the industry transforms, both traditional TV and digital players have identified the opportunity to disrupt the video market and are actively investing to grow through convergence**
 - Increased declines in TV subscribers and viewership is fueling innovation. To offset TV declines, media owners are looking to increase reach and scale through inventory aggregation and digital extension, and looking to marketplaces to provide the data and technology required to drive demand and optimize yield
 - Xandr has assembled the assets required to be a leader in this industry transformation, but requires consolidation and convergence of offerings to meet customer demands
- **Continued development of these offerings will enable Xandr and WarnerMedia's combined advertising business to shift pressured linear spend to high growth formats**
 - AT&T and WarnerMedia marketing spend should increasingly shift to Xandr products in order to reduce external technology costs and maximize return on ad spend
 - O&O supply will be needed to anchor our marketplace and attract incremental demand, as well as third party inventory
 - Though O&O inventory will serve to anchor the marketplace, third party supply will become increasingly important relative to declines in TV, as digital media growth not expected to offset linear declines in the near term and ^{REDACTED} of spend today goes to owned media, compared to ^{REDACTED} projected in 2024²
 - Though display will remain a significant component of the programmatic platform, with more resilient demand internationally, spend shift toward high-growth digital formats (i.e. audio, gaming, OOH) will be required and will become increasingly demanded as part of cross-screen campaigns

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Total Addressable Market (TAM) Approach



Objective:

- Produce a source of truth for industry analysis to serve as a foundational and standardized data set across the business
- Apply internal knowledge, expertise, and methodologies to improve and consolidate existing data sources and analysis
- Understand total addressable market inclusive of market trends and shifts to inform investment decisions and focus

Methodology:

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Core Assumptions (US only)



| Approach + Definitions by Format | % Programmatic | Structurally Available |
|----------------------------------|----------------|------------------------|
| REDACTED | | |

Global ad spending is increasing, with international growth outpacing the US



Ad Spend by Region (\$M) Total TV, Video, & Display Spend (\$M)

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Xandr Available TV, Video, & Display Market: 2020

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Xandr Available TV, Video, & Display Market: 2024

Despite not including TV advertising and being limited to select countries, the APAC, EMEA, and LATAM available TV, video, and display formats are expected to outpace domestic growth, causing a redistribution of available market share

*Available Market Includes US, UK, Germany, France, Spain, Italy, Netherlands, Norway, Sweden, Finland, Australia, Japan, India, Brazil, and Mexico
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In the US, Xandr’s core market is limited in scale and highly competitive



Total Market of Interest

FORMAT

2020 MIX 2024 MIX 2020–2024 CAGR

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As dollars shift to more advanced offerings, Traditional TV is expected to decline at a REDACTED CAGR through 2024, with dollars being redistributed to Advanced TV and Digital Video, presenting the opportunity to disrupt traditional players with innovative solutions

"Market" or "Available Market" defined as component of TAM analysis

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Within the segment of interest, Xandr's available sector is growing more slowly and facing disruption



Total Segment of Interest

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Xandr must focus on reducing reliance on display and traditional TV, while positioning for growth in emerging digital formats lacking significant barriers to entry

Key Takeaways: Total Addressable Market (TAM) Analysis



- **Xandr must obtain share to sustain growth in its current segment**

- In the US, Xandr's core formats of TV and digital video is projected to exhibit limited gains, growing at REDACTED AGR through 2024, as the redistribution of linear dollars to advanced TV and digital video fails to offset linear declines
- As this segment is mature, saturated, and not growing substantially, there is limited opportunity for Xandr to grow with the industry and expand into new opportunities
- To meaningfully grow in the space, Xandr must obtain share from established players, leading in the higher growth areas of Advanced TV and digital video

- **Xandr can fuel additional growth through targeted international expansion**

- The TV, digital video, and display business in the US is reaching maturity and exhibiting slowed growth REDACTED CAGR through 2024 including display REDACTED CAGR without)
- International regions are growing more rapidly in the same space: REDACTED
- Xandr's available TV, video, and display segment is expected to shift from REDACTED US in 2020 to REDACTED in 2024

- **Longer term, Xandr must look to complementary segments and formats where dollars are being reallocated**

- Investment in digital video alone likely won't be enough to sustain growth in digital, as premium video is only expected to grow at a REDACTED CAGR through 2024
- Emerging formats continue to grow and outpace the industry with Digital OOH (REDACTED CAGR), Digital Audio (REDACTED CAGR), and Gaming (REDACTED CAGR) projected to comprise REDACTED of Xandr's available market in 2024
- Xandr must develop a foothold in one or more of these formats while they remain nascent, with fewer barriers to entry and established competitors

"Market" or "Available Market" defined as component of TAM analysis

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Trends by Format: Approach and Methodology



Guiding Questions

Approach

? What are the key advertising formats most relevant to Xandr?

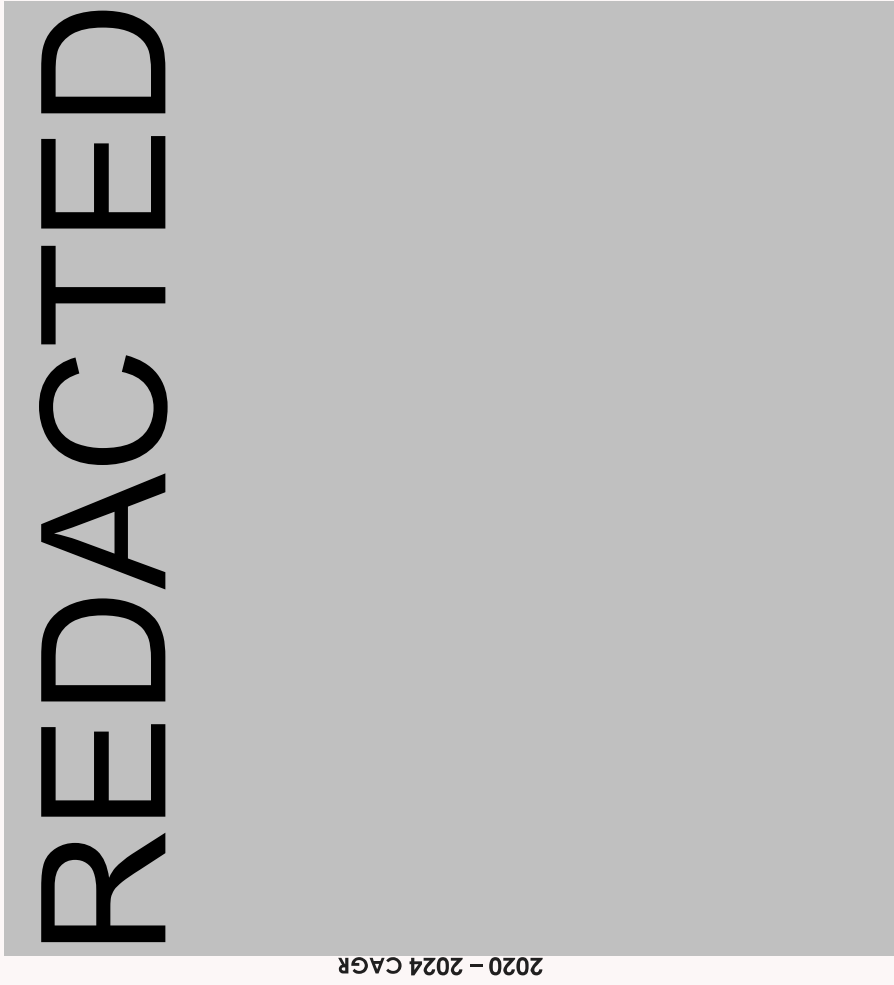
? What is the relative opportunity size and strategic fit for Xandr in each segment?

? What key developments are impacting each format, and who are the major players in each space?

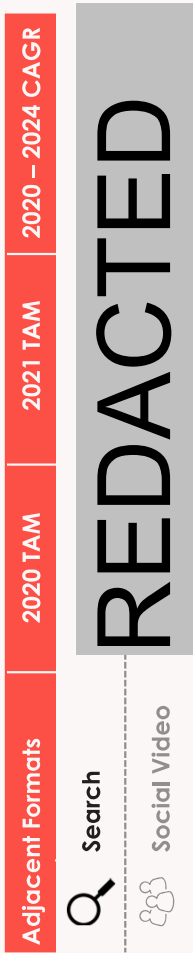
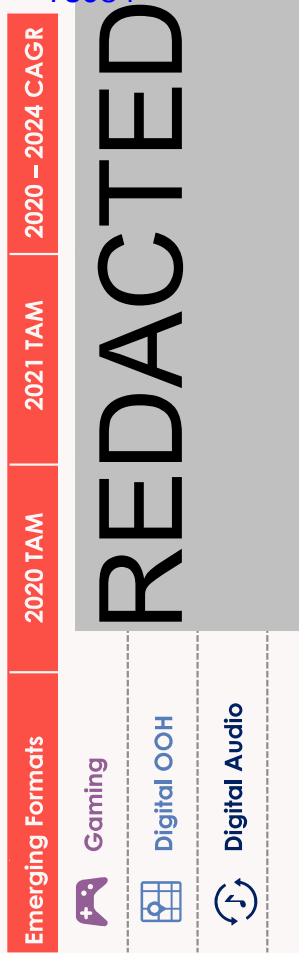
? Who are the major players in the industry for each format?

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Xandr must continuously evaluate each format to sustain growth and differentiation



2020 – 2024 CAGR



Strategic Fit

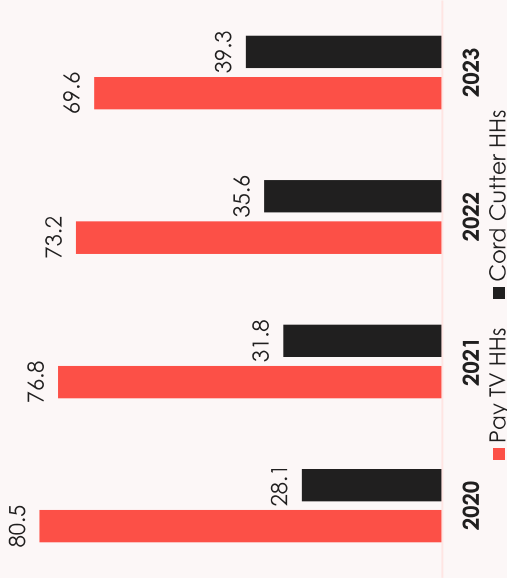
- 1: TAM is defined as the gross spend in a given format – information pulled from Xandr Titan Model built around Magna June forecasts
- 2: Traditional TV defined as national TV minus advanced TV
- 3: Includes CTV/OTT and other premium digital video

Traditional TV

Pay TV will decline with accelerated cord cutting

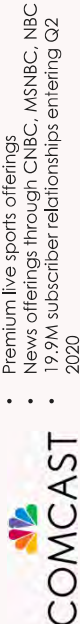
Pay TV declines are being compounded by the growth of cord cutters and cord nevers

US Pay TV and Cord Cutter Households (M)¹



Industry Players

Historical players seek to build more innovative, targeted, and advanced offerings to increase reach and yield – with a unified buying experience connecting traditional inventory to proliferating direct-to-consumer platforms



- Premium live sports offerings
- News offerings through CNBC, MSNBC, NBC
- 19.9M subscriber relationships entering Q2 2020



- Linear family content leadership
- Linear sports coverage leadership
- News offerings through ABC



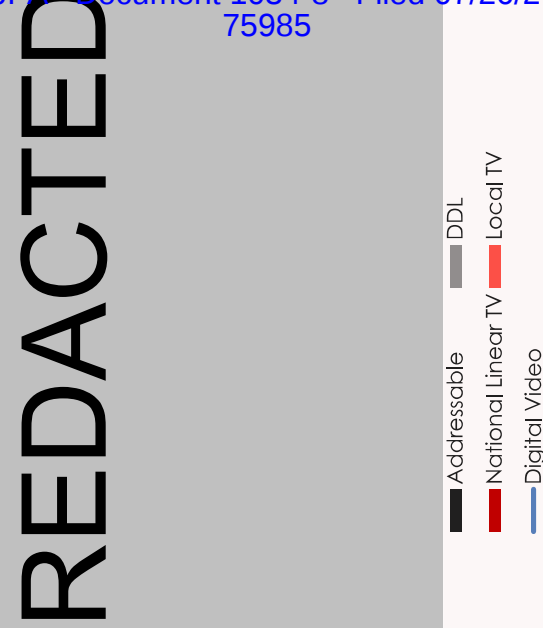
- Premium live sports offerings
- News offerings through CNN
- 18.6M linear TV subscribers entering Q2 2020
- Additional content leadership through TNT, TBS, others



Advanced TV is becoming a larger share

Advanced TV is becoming a larger portion of total TV, with digital video spend expected to surpass national TV by 2024

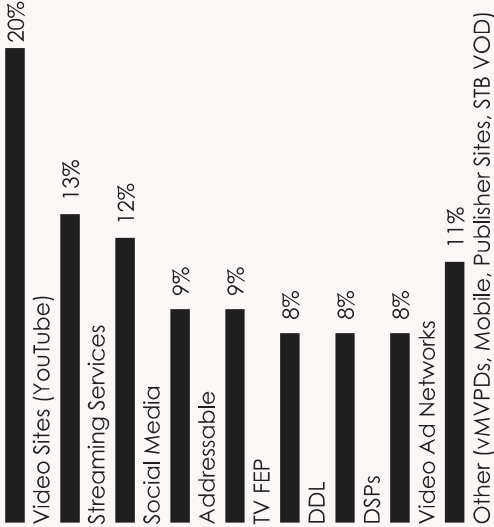
US TV and Video Segment (\$M)³



TV dollars are shifting to video platforms

As linear audiences decline, TV budgets are being reallocated to other forms of digital video

Linear TV Budget Reallocation²



Addressable TV

Pay TV declines are negatively impacting distributors

Traditional MVPD subscribership is anticipated to drop between 2020 and 2024

As pay TV subscribers continue to decline, individual players in the fragmented space lack sufficient scale

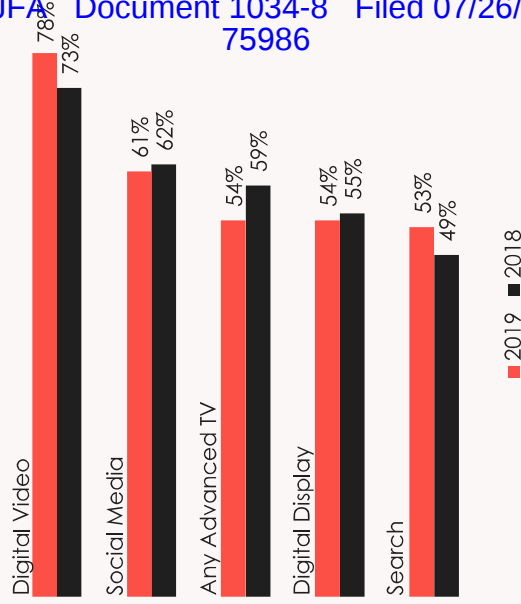
Individual players are limited in scale

Digital and advanced TV solve for reach needs

Companies are offsetting subscriber declines and finding increased scale through digital extension

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Channels Used to Add Reach to Linear TV Campaigns³



Industry Players

Industry players are extending addressable TV buys into digital and advanced TV combining their addressable footprint, technology, and data



- Consortium of Comcast, Cox, and Charter
- Reach of 40M HH
- Buyers can add third-party data sets across additional 45M homes for linear sales



- NAC relationship with Alice and Frontier
- 18.6M premium TV subs as of Q2 2020
- Ability to extend addressable advertising into 75M homes



- Distribution across 9.4M subs at end of 2019
- Uses its addressable TV tech and data so linear TV buyers can drive incremental reach across the Dish and Sling TV footprint

1. Magna Global Data; 2. Internal Analysis; 3. eMarketer

Data Driven Linear (DDL)



General entertainment (GE) TV is highly pressured

TV impressions are decreasing, with Live TV proving more resilient than GE, which is shifting to streaming

Ratings are declining most among light tv viewers

Though total ratings declined 12% YoY, Light TV viewership decreased twice as much, at 24% YoY

Programmers are turning to DDL to increase yield

GE CPMs increasing more rapidly than Live TV due to growing adoption of data driven advanced TV

Historical Impressions (B) by Content Type¹

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Historical CPMs by Content Type (S)¹

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2014 2015 2016 2017 2018

■ Live ■ GE

Industry Players

Industry Players in the DDL space offer access to scarce linear inventory relative to market demand, given structural constraints



- Audience-centric sales platform for linear TV, powering private and open marketplaces with optimization and workflow automation

OPEN
A.P.

- Advanced TV consortium developed with Accenture and FreeWheel
- Includes FOX, NBCU, ViacomCBS, and Univision, and offers platform for cross-network linear TV and long-form digital video data-driven advertising

Programmer In-House

- In-house DDL ad sales businesses offer homegrown, highly customized technology platforms for their O&O inventory
- Examples include Viacom Vantage, Discovery Engage, Disney Luminate, and NBCU

1: Internal Xandr Analysis 2: Nielsen NPA

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Digital Video

Video viewership is shifting from linear to digital

In the next five years, time spent with Live TV is expected to decrease to [REDACTED] of daily video, while CTV grows to [REDACTED]

Non-premium segments are driving ad growth

Despite increased streaming engagement, non-premium, short form formats are expected to grow spend share

Percent of Weekly Video Time, Adults 18 - 34'

US Digital Video Ad Revenue (\$M)'

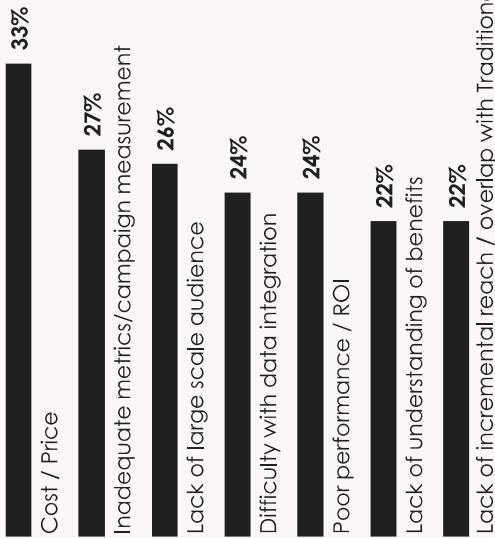
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Challenges remain to unlock premium investment

US Agency and Marketer professions find cost, measurement, and scale key adoption hurdles

Top Buyer Obstacles Preventing the Use of More OTT Ads'



Industry Players

The digital video space is becoming increasingly competitive and saturated with the proliferation of digital streaming services meeting the evolution of legacy media incumbents looking to form direct to consumer relationships and offset pay TV declines



- Leading, scaled ad-supported video offerings across YouTube, YouTube TV, and Chromecast
- Utilizes first party data set, ad technology assets, and YouTube supply exclusivity to fuel video marketplace



- Streams more ad-supported hours than any other OTT platform, with 36M+ active users
- Comprises 25% of smart TVs sold in the US
- Acquisition of DSP data for marketplace creation and application of data



- Leading media and content asset with growing direct to consumer distribution through Disney+, ESPN+, and Hulu
- Less ad technology focused, despite Hulu and BarniTech assets

Sources: 1. Magna Global; 2. eMarketer

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Digital Display



The display ad market is mature and declining

The US display ad market is expected to decline at a CAGR from 2020 to 2024

US Gross Display Ad Spend (\$M)¹

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| | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|------|------|------|------|------|
|--|------|------|------|------|------|

Industry Players

Display market players are primarily full stack solutions with O&O inventory, differentiated data assets, and self-service tools that cater to both enterprise and small business advertisers



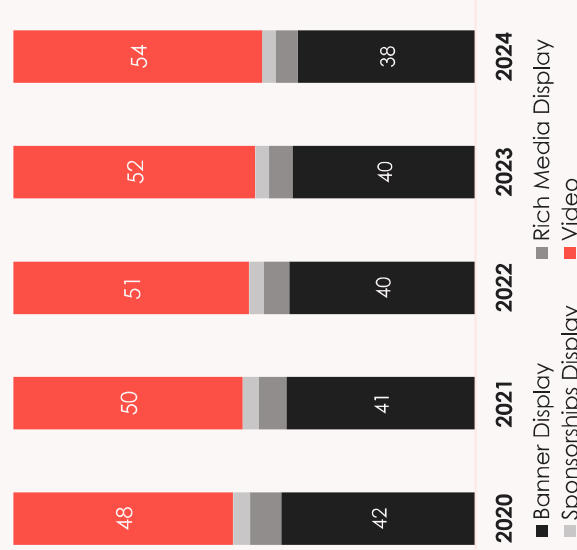
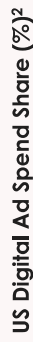
- Facebook Ads Manager offers self-service advertising tools with unique display ad formats (e.g. Sponsored Photo, Carousel, Playable)
- Facebook is expected to capture **REDAC** of total US display revenue in 2020 ¹

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sources: 1. Wiegand, 2020 and Khalil, Muhammad, 2020, 2. Ewukereri, Wukot 2020, 3. Ewukereri
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Marketers are shifting budgets from display to video

A growing portion of display ad budgets are expected to shift to video channels

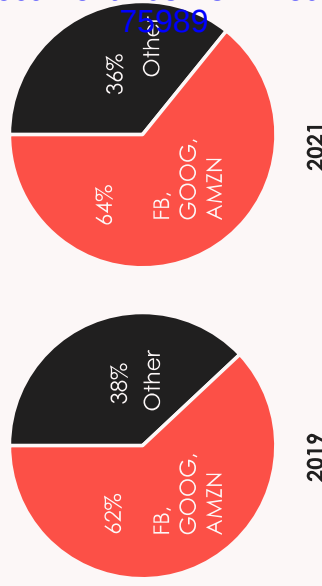


Note: FB tech used primarily for FB O&O, while Google ad tech is used display advertising on the broader internet ecosystem

Few players capture bulk of display investment


Facebook, Google, and Amazon account for a growing share of programmatic display ad spend

Facebook, Google, and Amazon share of US Programmatic Display Ad Spend³



Note: FB tech used primarily for FB O&O, while Google ad tech is used display advertising on the broader internet ecosystem



- Google Marketing Platform offers suite of ad solutions with Google data and inventory
- Google Display Network supports prebuilt and responsive display ads
- Google is expected to capture  of total US display ad revenue in 2020¹

Sources: 1. Magna, 2020 and Xandr Titan Model, 2020; 2. eMarketer, March 2020; 3. eMarketer, October 2020.

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Social Video

Social video is driving social media growth

Social video is expected to grow from representing [REDACTED] social media ad spend in 2018 to [REDACTED] in 2024

Social video is capturing more TV ad dollars

Social video is emerging as an alternative to TV, and is expected to surpass traditional TV spend in 2023

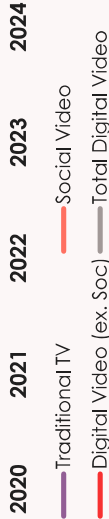
Social Media Ad Spend 2020 – 2024 (\$B)

US TV and Video Ad Spend (\$B)

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■ Social Other ■ Social Video



— Traditional TV
— Digital Video (ex. Soc) — Social Video
— Total Digital Video

Industry Players

Social video is dominated by a small number of competitors who utilize proprietary data sets and ad tech expertise to create differentiated offerings with unique access



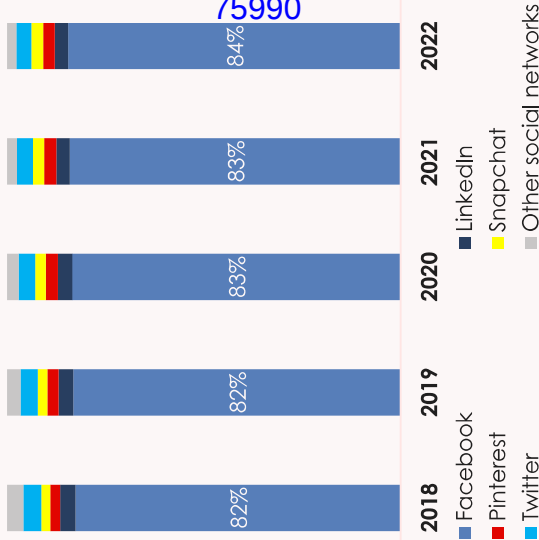
- Accounts for 90%+ of social video ad spend, ex-YouTube
- Offers SMB-accessible self-service advertising tools with unique ad formats
- Seeks to utilize social video dominance to expand to other formats, including esports, dating
- In-house ad tech capabilities support targeting by interests, behaviors, location, others
- Self-service tool supports campaign management, optimization, real-time reporting
- 229M+ daily active users, self-reported



Facebook captures the majority of social ad spend

Despite the significant size of the social market, most value is concentrated among Facebook/Instagram properties

US Social Network Ad Revenue Share²



■ Facebook
■ Pinterest
■ Twitter
■ LinkedIn
■ Snapchat
■ Other social networks

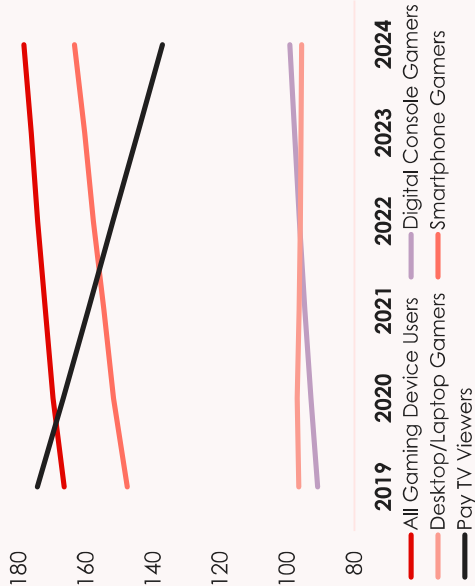
Gaming



Game usage is growing

By 2021, the number of digital gamers will outpace pay-TV users in the US, primarily driven by mobile gaming

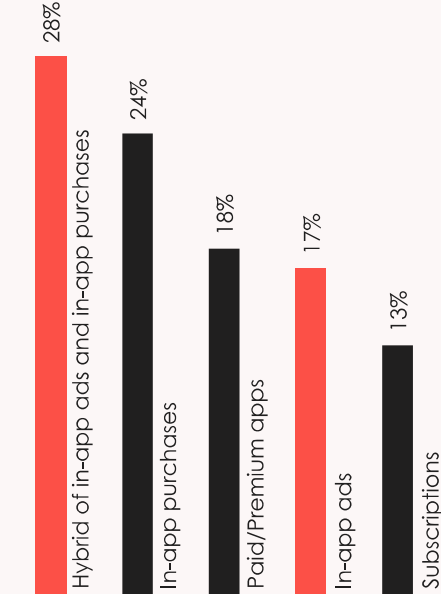
US Digital Gamers by Device vs. Pay-TV Viewers (M)¹



Mobile game pubs look to ads for new revenue

Nearly half of mobile game developers believe the use of in-app ads in monetization strategy drives best ROI

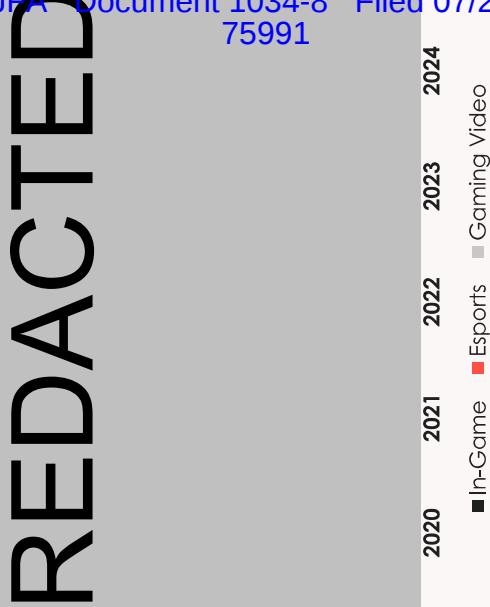
Monetization Methods Mobile Game Developers Believe Delivers the Best ROI²



US gaming and esports ad revenue will accelerate

The US gaming and esports ad market is expected to grow at a REDACTED CAGR from through 2024, driven by in-game ads

US Gaming Related Ad Revenue (\$B)³



Industry Players

Gaming market players positioned for success are those with owned assets spanning game publishing, distribution (e.g. cloud gaming services), esports, and game content streaming



- O&O gaming assets include games studio, recently launched cloud gaming service (Stadia), and game content streaming platform (YouTube Gaming)
- YouTube Gaming captures 20% of live hours watched on game streaming platforms



- O&O gaming assets include games studio, game content streaming platform Twitch, and cloud gaming service under development (Project Tempo)
- Amazon-owned Twitch dominates live game content streaming with over 70% of hours watched



- O&O gaming assets include console, PC, and mobile, and esports organization (Major League Gaming)
- Current ad solutions are mobile only (King) but considering ad monetization in PC/Console and esports

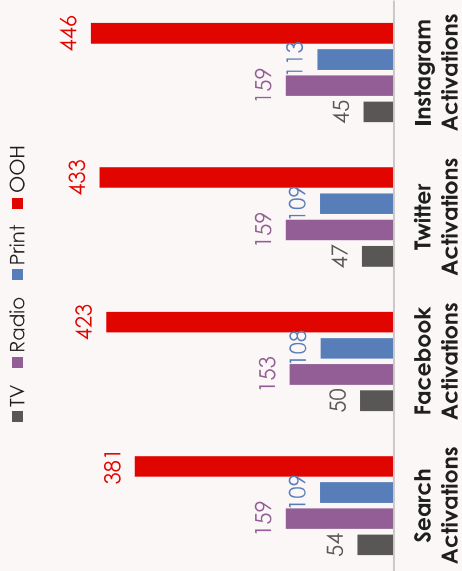
Digital Out-of-Home (DOOH)



OOH offers benefits over other formats

OOH generates 4X more online activity per ad dollar spent than TV, radio, and print

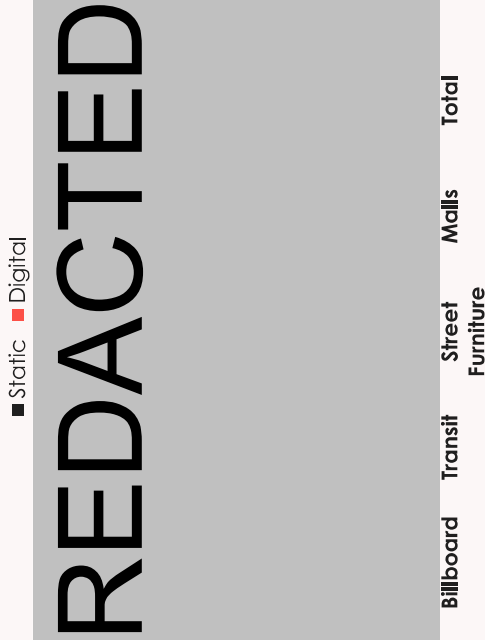
Online Activations Indexed Against Media Spend¹



Static OOH inventory transitions to digital

Digital screens drive 8.5X higher yield for media owners than traditional OOH formats

Average Yield of OOH Unit, Static vs. Digital (\$1000's)²

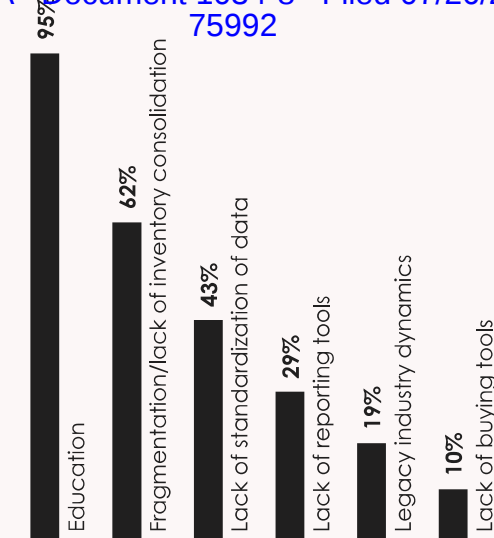


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Structural challenges impede growth

The DOOH market is held back by key challenges including education, fragmentation, and standardization

Challenges in Making DOOH a Mainstream Media Buy³



Industry Players

The DOOH market is segmented into traditional OOH media owners that are modernizing themselves via digitization of inventory networks, place-based DOOH media owners that offer contextual DOOH buys, and enablement platforms that lack owned inventory but have built DOOH buying and monetization tools



- Legacy OOH media owners Outfront, Lamar, and Clear Channel Outdoor together control 57% of the total US OOH ad sales market
- JCB, Clear Channel, and Intersection have created their own programmatic offerings to monetize DOOH inventory



- Place-based DOOH media owners control networks of digital screens in niche locations such as taxis (Curb), elevators (Capitivate), gas stations (GSTV), ride sharing vehicles (Firefly), etc.

VISTAR MEDIA

- DSP and SSP for DOOH, with third-party DSP partnerships (Verizon, MediaMath, Adelphi, and Amobee)
- Geo-behavioral targeting, activation and measurement of audience-based programmatic DOOH

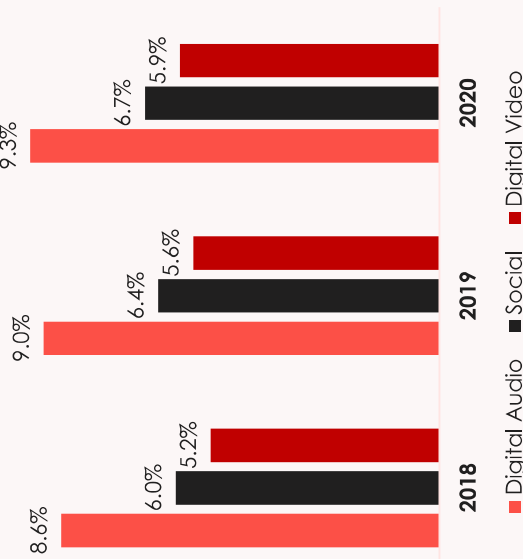
Sources: 1. Nielsen, 2017; 2. Magna, The State of Out of Home, January 2019; 3. IAB/PWC, Growing Programmatic DOOH: Opportunities and Challenges, August 2019.

Digital Audio

People are spending more time with digital audio

US adults are expected to spend 9.3% of their total mobile media time with digital audio each day

Share of Mobile Time Spent Per Day by US Adults¹



Industry Players

Digital audio streaming app leaders with ad supported models monetize their inventory and audience data with programmatic buying available via self-service tools and/or third-party DSPs.



- Reported 271M Monthly Active Users (MAUs) in Q4 2019, up 31% YoY
- \$239M ad revenue in Q4, up 23% YoY
- Began dynamic ad insertion for real-time targeting and audience measurement in January 2020



- 72.2 MAUs in the US in 2019, down .5% YoY
- Enabled programmatic purchases through PMP via ITD, MediaMath, and AudioMatic DSP beginning in 2018
- Losing share to Apple Music, Amazon, and Spotify



- 5 tiers available, including ad-supported with access only to playlists and stations
- Reported over 55M globally, growing 50% in 2019
- Smart speaker synergies support potential for shopper marketing

1: eMarketer, 2: Magma Global Projections Spring 2020

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Advertising is shifting from traditional to digital

The large, mature radio market is being redistributed to digital formats

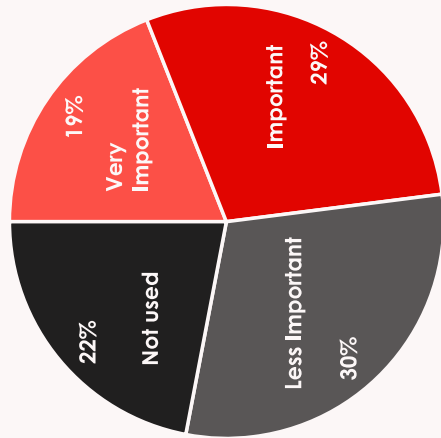
Digital audio is becoming core to cross channel

78% of US marketers currently invest in digital audio as part of their cross-channel advertising strategy

US Audio Market²

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Importance of Digital Audio for Cross Channel Advertising



Key Takeaways: Trends by Format



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Value Chain Analysis: Approach and Methodology



Guiding Questions

Approach

? What are the components of the US video value chain, and what is the relative opportunity size of each?

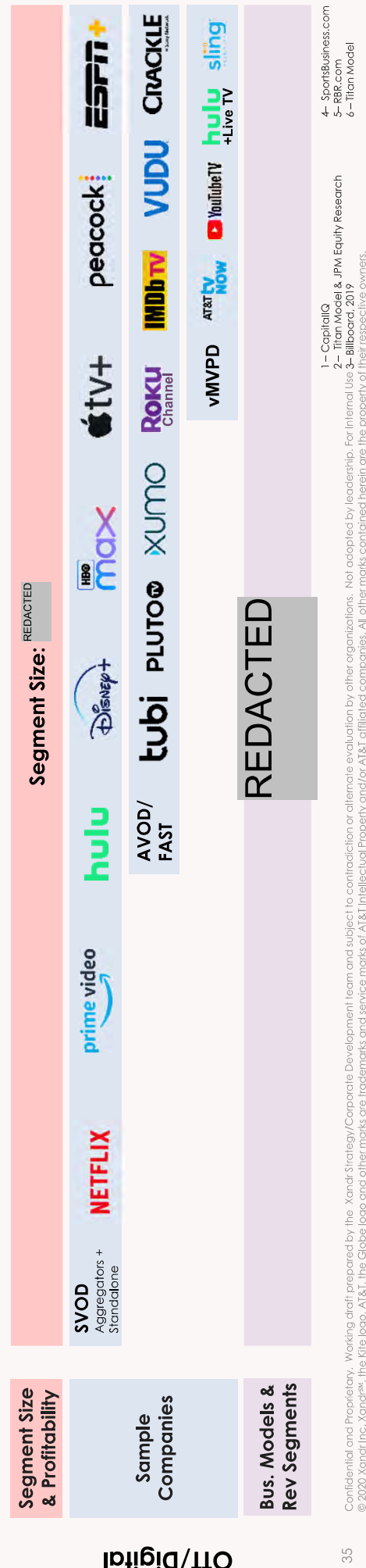
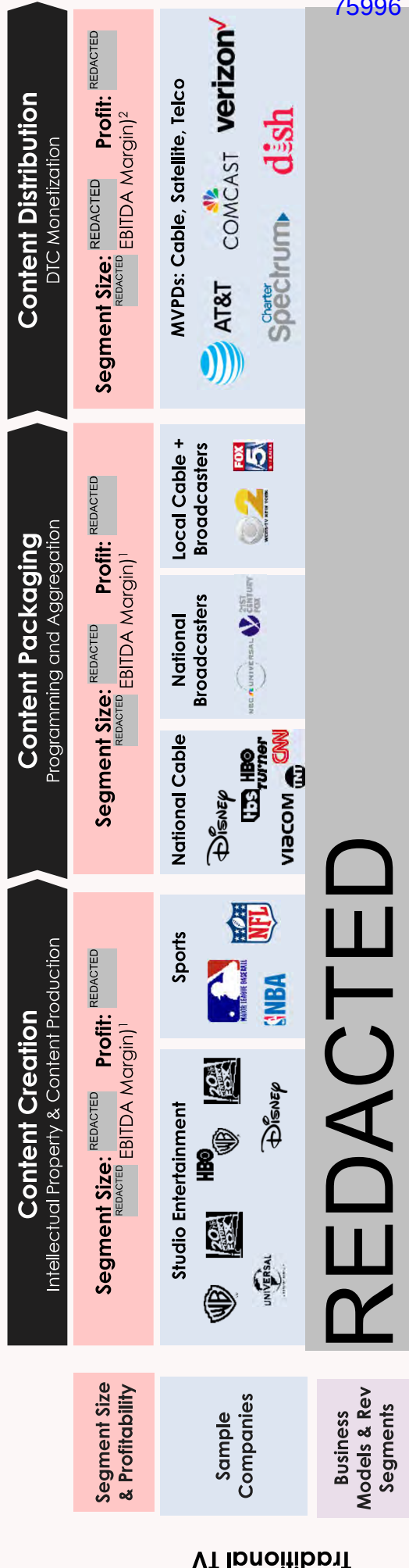
? Who are the major players in each component of the value chain, and how does AT&T / Xandr fit?

? What are the components of the advertising specific value chains across key formats, and who are the major players in each?

? Where is value extracted in the advertising ecosystem, and how might that evolve over time?

REDACTED

2019 Video Landscape Stakeholders and Opportunity Size (US)

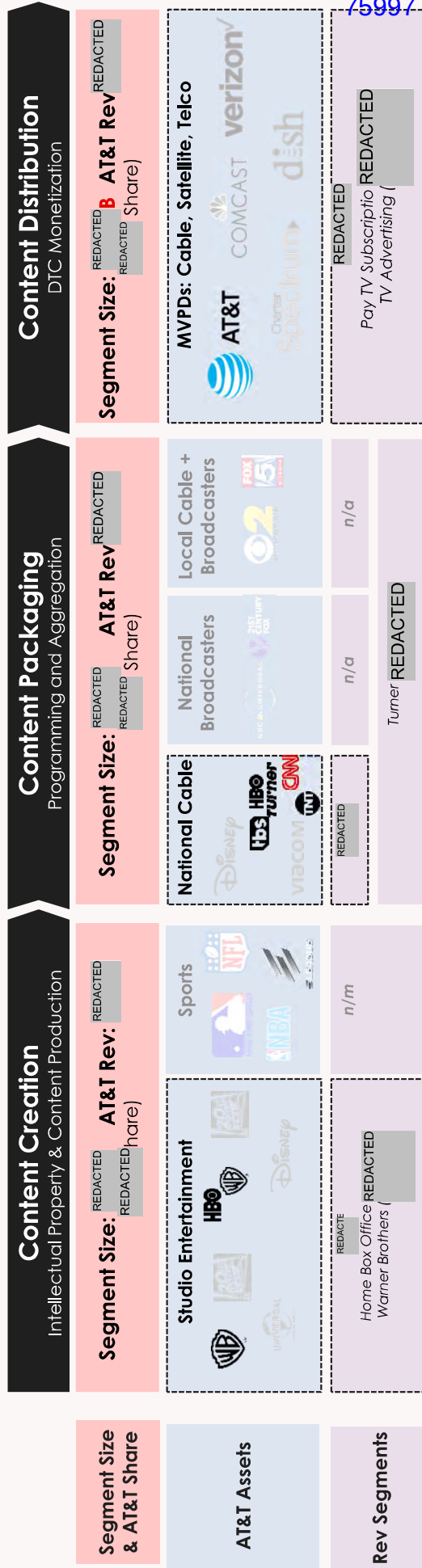


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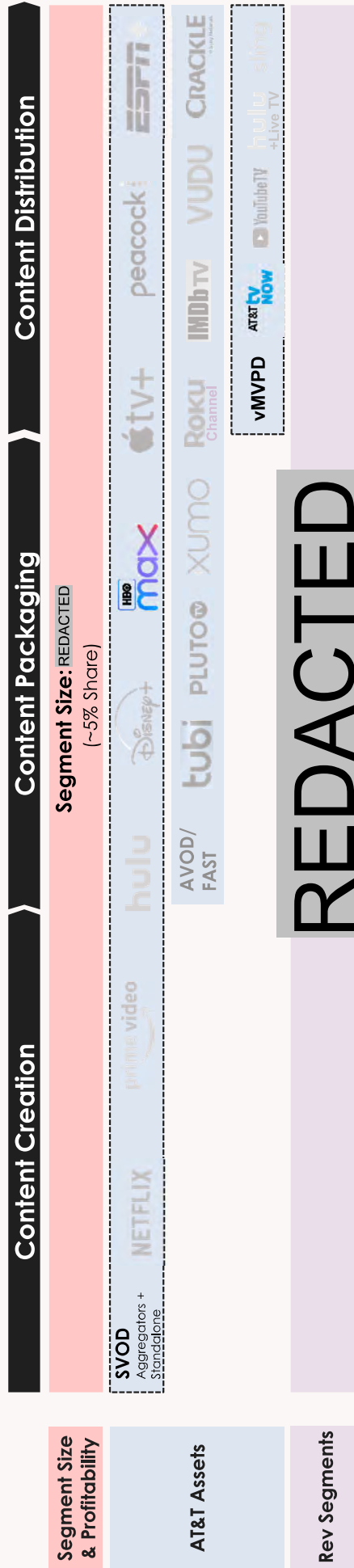
1 – Capital IQ
2 – Titan Model & JPM Equity Research
3 – Billboard, 2019
4 – SportsBusiness.com
5 – RBR.com
6 – Titan Model

TKR24

2019 AT&T Video Landscape Value Chain Mapping



Traditional TV



OTT/Digital Video

AT&T Company law
Does NOT include revenue from non O&O properties, including "Tech Fees" from 3P content providers.
National Cable includes WarnerMedia Sports revenue (March Modified)
Internal Financials included from Jan Ops review and Sept 2019

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Advertising Value Chain – Traditional Linear



2020E

2025E

REDACTED

| Advertiser Budget | Agency Commission | Agency Planning Tool Fee | Media Owner | Advertiser Budget | Agency Commission | Agency Planning Tool Fee | Media Owner |
|---|--|---|---|---|--|---|---|
|   |  WPP |  |   |   |  WPP |  |   |

Key Trends, Assumptions and Implications

- In the next five years, the traditional linear tv ad industry is projected to shrink while value chain players and their respective take rates remain largely unchanged
- **Pay-TV Decline:** Traditional pay-TV households are projected to continue to decline (from ^{REDACTED} of US HHs in 2020 to ^{REDACTED} in 2024) as audiences shift to digital and OTT video environments
- **Traditional Linear Ad Spend Decrease:** The traditional linear ad industry will contract as dollars are reallocated to more efficient, data-targeted advertising environments including advanced TV and digital video
- **Agency Relevance:** Despite overall diminishing spend, agencies are expected to remain relevant to the traditional linear value chain and command their 15% rates through 2025

Advertising Value Chain – DDL



REDACTED

| Advertiser Budget | Agency Fee | DSP Take | SSP Buy-side Fee | Data Take | SSP Take | Media Owner | Advertiser Budget | Agency Fee | DSP Take | SSP Buy-side Fee | Data Take | SSP Take | Media Owner |
|-------------------|------------|----------|------------------|-----------|----------|-------------|-------------------|------------|----------|------------------|-----------|----------|-------------|
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |

Key Trends, Assumptions and Implications

- Through 2025, the DDL segment is projected to grow at a REDACTED gment
- Open Marketplace Adoption:** As TV viewership declines and individual programmers struggle to attract sufficient demand, media owners will accept open marketplace models that pool inventory sources in order to increase reach and attract more demand
- Tech Fee Shift:** With the adoption of open marketplace models, the cross channel planning and execution value driven by agencies will shift to platforms, thus compressing their take and shifting value to buy-side technology partners, though some brands in the DDL space are pushing for fixed license fee models, which may reduce effective DSP and SSP take rates
- Convergence:** As pay-TV audiences shrink and media consumption fragments, buyers and sellers will convergence TV and digital video advertising looking to platforms for the ability to plan, buy, and measure ads across formats and screens on aggregated inventory sources





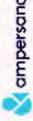

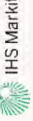

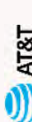





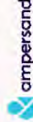


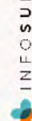


Advertising Value Chain – Addressable



2020E

2025E

REDACTED

| Advertiser Budget | Agency Commission | Addressable Sales Representation Fee | Data Take | Media Owner (Distributor) | Advertiser Budget | Agency Commission | Addressable Platform Fee | Data Take | Media Owner (Distributor) |
|--|--|--|---|--|--|--|--|---|--|
|   |  WPP |   |    |   |   |  WPP |   |    |   |

Key Trends, Assumptions and Implications

- The addressable ad segment is projected to double in size, with technology improvements offsetting subscriber declines
- **Programmer Addressable Enablement:** Pending technology availability, programmers will look to maximize yield and meet marketer demand for targeted TV audiences by making their 14 minutes of inventory available addressably. Programmer enablement stands to serve as a key differentiator for Xandr, not only for platform usage and programmer inventory representation, but also increasing the value of Xandr viewership data to measurement providers
- **Self-service and Automation:** As addressable technology improves, more buys will be made using self-service, automated platforms rather than via managed service addressable sales representation houses, thus lowering fees but increasing potential scale
- **Convergence:** Addressable TV lends itself particularly well to converged applications due to the individual / household level targeting employed. Despite near term measurement obstacles exist, Comcast, Xandr, and others are looking to extend addressable buys into OTT inventory to increase reach constrained by pay tv subscriber declines

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1. eMarketer, June 2019
2. Market Size – Titan Media, Inc.

Data take rate includes data onboarding, 3rd party audience data, and measurement & validation

Advertising Value Chain – Digital Video



2020E

2025E

REDACTED

| | | | | | | | | | | | | | | | |
|------------|--------|--------------|-----|------|-----|---------------------|-----------|------------|--------|--------------|-----|------|-----|---------------------|-----------|
| Advertiser | Agency | Trading Desk | DSP | Data | SSP | Publisher Ad Server | Publisher | Advertiser | Agency | Trading Desk | DSP | Data | SSP | Publisher Ad Server | Publisher |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |

Key Trends, Assumptions and Implications

- In the next 5 years, a consolidated, vertically integrated marketplace will lead to more bundled pricing and volume-based discounts. Fewer ad tech players will control a greater share of dollars, and a greater percentage of ad spend dollars will reach publishers
- **In-housing:** Seeking greater control over data and increased spend transparency, marketers are expected to shift more programmatic buying functions in-house, diminishing the role of the agency and trading desk in the digital video value chain, particularly as self-service tools become simpler to use
- **Consolidation:** The ad tech ecosystem will consolidate as advertisers and publishers will shift from working with many disparate, independent players to contracting fewer, larger providers that offer multiple integrated services with bundled pricing and volume discounts
- **1st Party Data:** Advertisers will shift from reliance on 3rd party data providers to maximizing the use of their 1st party data. Ad tech providers with proven, privacy compliant first-party data activation and identity capabilities will benefit and help sustain data pricing
- **Programmatic Adoption:** While ~80% of digital video is transacted programmatically today, improved capabilities should help shift premium video from direct to programmatic methods

AT&T and Xandr Advertising Value Chain Mapping



2020E

| Advertiser | Agency | Agency | Trading Desk | Addressable | DSP Take | SSP Buy-side | Data Take | SSP Take | Publisher Ad | Media Owner |
|------------|--------|--------|--------------|-------------|----------|--------------|-----------|----------|--------------|-------------|
|------------|--------|--------|--------------|-------------|----------|--------------|-----------|----------|--------------|-------------|

REDACTED

2025E

| Advertiser Budget | Agency Commission | Agency Planning Tool | Trading Desk | Addressable Platform Fee | DSP Take | SSP Buy-side Fee | Data Take | SSP Take | Publisher Ad Server | Media Owner |
|-------------------|-------------------|----------------------|--------------|--------------------------|----------|------------------|-----------|----------|---------------------|-------------|
|-------------------|-------------------|----------------------|--------------|--------------------------|----------|------------------|-----------|----------|---------------------|-------------|

REDACTED

Legend AT&T / Xandr owns assets in category

▼ Decrease in category take rate or segment size ▲ Increase in category take rate or segment size ★ New category (Addr. Platform fee to replace Sales rep. fee)

In the coming years, the automation of television buying, compression of technology fees, and TV + digital convergence, will cause value redistributions largely in favor of media owners. However, in most segments compression in fees could likely be offset by increasing share in growing segments, as smaller players are consolidated out of the industry due to pricing and structural changes.

41] Segment sizes derived from Titan model while rates derived from eMarketer and other publicly available industry sources
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Key Takeaways: Value Chain Analysis








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International Regions: Approach and Methodology



Guiding Questions

Approach

-  What are the key current regions in which Xandr operates?
-  Are there any new regions Xandr should explore? Should Xandr reevaluate its presence in any current regions?
-  How can Xandr differentiate from competitors in each region?
-  How can Xandr transition from a display focused to a video-first platform in international regions?
-  What strategic partnerships are required to replicate the O&O data and content assets in the US?

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Client Segmentation and Prioritization: International



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Excludes print, linear broadcast radio, traditional OOH, and cinema categories. Other digital media includes lead gen, classifieds, email

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REDACTED

Key Takeaways: Geographies¹



REDACTED

Customer Segmentation: Approach and Methodology



Guiding Questions

Approach



Who are the key constituents that Xandr serves?



What unique dynamics and developments exist for each constituent?



How are industry developments impacting and changing customer needs?

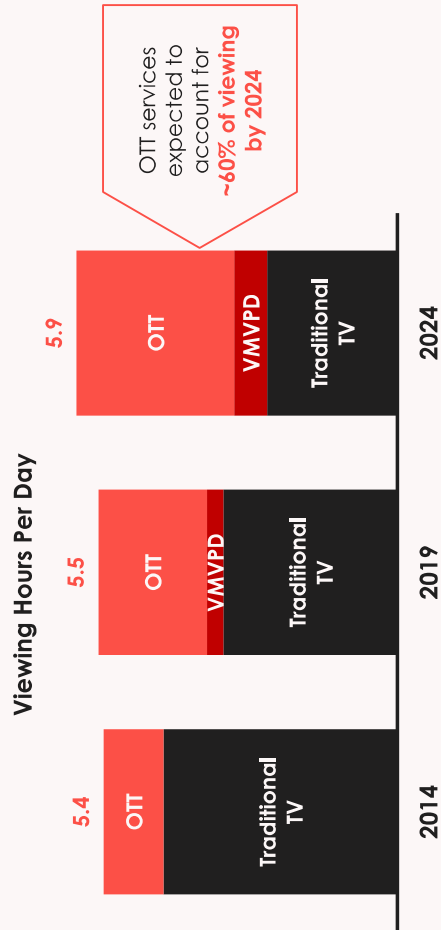
REDACTED

Consumers are demanding more media and are becoming increasingly open to more relevant and less disruptive advertising models to help them gain access

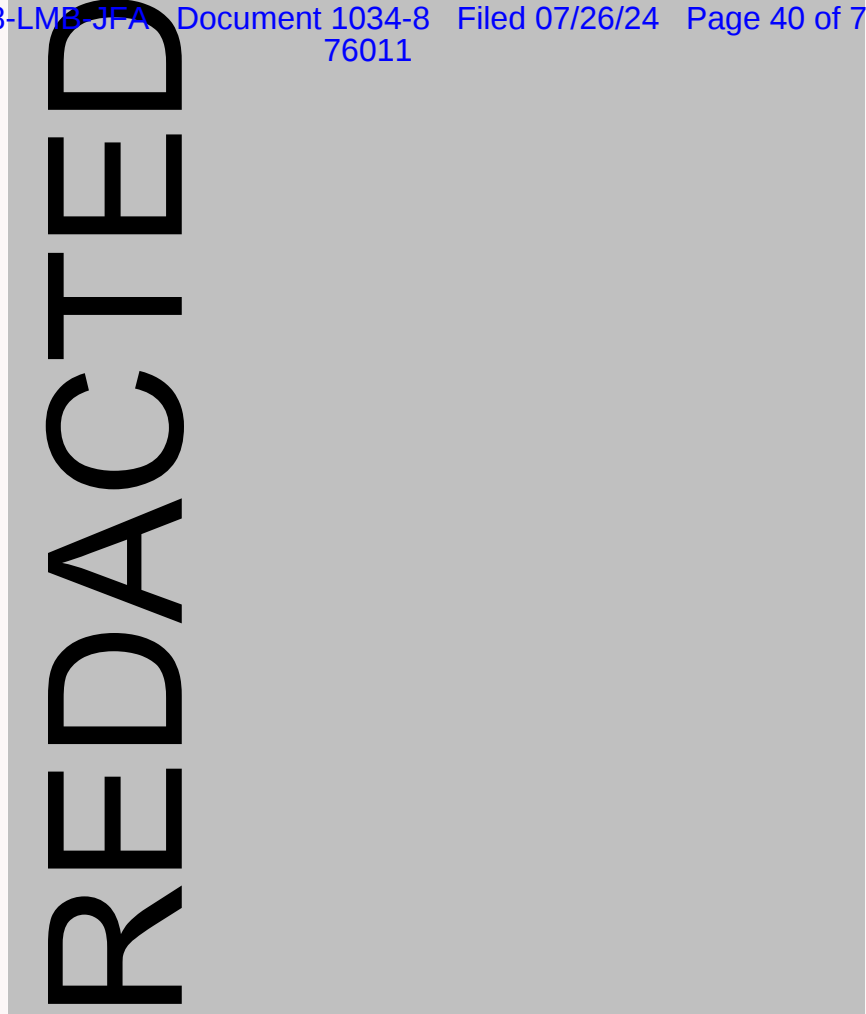


Engagement with media is shifting

- People are spending more time with media, though time with **traditional media has declined 28%** since 2010, while time with **digital has increased 125%**¹
- Video, as a primary source of consumer engagement, is following this trend with demand shifting from linear to digital, **as traditional TV now only accounts for only 67% of total video** viewing time, down from 80% in 2015¹
- Digital growth is being fueled by new engaging formats, such as audio, gaming, and social, **which account for over 41% of total daily media time**¹
- Device use has shifted significantly, as time spent with **mobile has increased 22%** since 2016, while time spent with **traditional TV has declined 15%**¹



Consumers are increasingly open to the right advertising



Key Takeaways: Customer Segmentation



- **Consumers are demanding more media and are becoming increasingly open to more relevant and less disruptive advertising models to help them gain access**
 - Video, as a primary source of consumer engagement, is shifting from linear to digital, as traditional TV now only accounts for only 67% of total video viewing time, down from 80% in 2015¹
 - Digital growth is being fueled by new engaging formats, such as audio, gaming, and social, which account for over 41% of total daily media time¹

REDACTED

- **Publishers are becoming more reliant on advertising to fund content creation, and require data and technology to improve monetization**

- Media owners are rapidly increasing content spending to attract customers, as 79% of adults view variety/availability of content to be extremely important in choosing OTT services¹

REDACTED

- **Buyers are searching for a simple way to reach consumers via a converged, brand-safe advertising solution that maximizes return on investment**

- Brands' capabilities are becoming increasingly sophisticated, with 62% of marketers expected to shift some programmatic functions in-house by 2022, up from just 18% in 2019¹
- As capabilities develop, 64% of CMOs still find that demonstrating the impact of marketing actions on financial outcomes to be their greatest challenge¹
- Agencies are responding to evolving buyer needs by optimizing access to supply and investing in proprietary technology and data assets

Product Positioning: Approach and Methodology



Guiding Questions

Approach

? What are Xandr's current products and offerings?

? How do Xandr's products complement and supplement each other across customer types?

? How are Xandr's products positioned relative to other industry players?

? How should Xandr's product suites be positioned to customers based on current differentiators and gaps?

REDACTED

Buy-side Differentiation & Positioning



Xandr Differentiators and Value Prop

Xandr Gaps & Risks

REDACTED

REDACTED

Sell-side Differentiation & Positioning



Xandr Differentiators and Value Prop

Xandr Gaps & Risks

REDACTED

Key Takeaways: Product Positioning



- **Xandr offers a robust product suite for buyers, though interconnectivity between products remains untapped**

- Xandr offers a wide array of products for buyers including Invest DSP for digital, Invest TV for advanced TV, marketplace products to access Monetize SSP supply, and media products for O&O media
- The buy side platforms benefit from market perception of leading data, media, and end-to-end platform benefits across Invest to Monetize
- Video-focused investments are beginning to take hold with improved deals functionality, greater usability, and suite of new offerings in market
- Xandr is well positioned to succeed in the converged video space, with complementary technology serving digital buying in Invest DSP and advanced TV in Invest TV, combined with perceived AT&T/WarnerMedia inventory access
- Invest DSP and TV require further interconnectivity to plan, execute, and measure a converged campaign and expand the marketability of each product as a standalone platform
- Marketplace products and a formal buy-side SSP offering remain critical to Monetize success, yet nascent in development and risk market confusion with the Invest offerings

- **Xandr's sell side suite offers a full-stack platform with leading data and monetization capabilities across linear and digital supply, but will require a unification of Monetize and clypd to meet target customer needs**

- The Monetize suite of products features a sell side ad server, an omni-channel SSP, and Yield Analytics offering for forecasting and analytics, with customer needs highly bifurcated across domestic and international business
- The clypd acquisition brought in an audience-centric sales platform for linear TV, powering private and open marketplaces with optimization and workflow automation

REDACTED

- In addition to more robust demand generation efforts and video-centric product enhancements, premium video and TV media owners require unified decisioning capabilities across linear and digital formats, which could be achieved through a unification of clypd and Monetize offerings.
- In order to increase industry position, both buy and sell side platforms will require deeper representation of premium O&O inventory to attract incremental demand and third party supply partners

Acquisitions and partnerships play an important role in the execution of Xandr's strategy

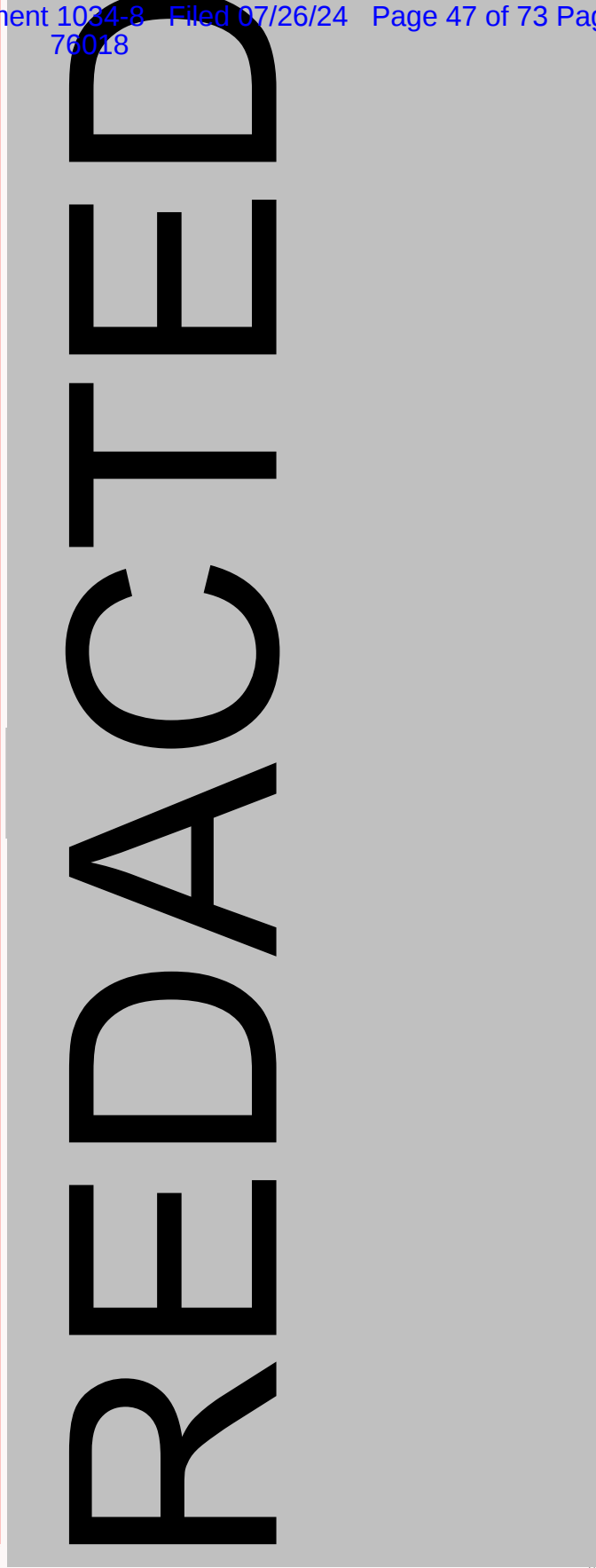


REDACTED

Xandr approaches inorganic growth strategies as a “spectrum” defined by key criteria*



| Rationale / Criteria | Example Companies | Description (status) |
|--|---|--|
| <ul style="list-style-type: none">✓ Aligned with Xandr strategic priorities✓ Clear, strong product fit✓ Drives business value through:<ul style="list-style-type: none">o Accelerating roadmap, and/oro Reducing costs, and/oro Bringing Xandr into new market / acquiring new businesso Improving owner's economics |  | Technology that would clearly accelerate TV Platform and converged Platform roadmap by way of existing customer base, mature technology, and network system integrations (acquired by Xandr) |



Once decisions are made regarding inorganic strategies, Xandr follows a process for execution



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Acquisitions require a robust cross-functional process spanning diligence through integration



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The partnership process is cross-functional as well, and requires diligence and executional activities



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Once strategic priorities are formed, these priorities drive acquisition and partnership targets, each meant to fill a strategic gap



2020 Strategic Priority

Gaps requiring partnership

REDACTED

Key Takeaways: Acquisitions and Partnerships



- **The industry is consolidating; robust acquisition and partnership strategies / capabilities are imperative to grow market share**
 - **Strategic buyers** (e.g., Roku with DataXu) primarily seek targets to scale marketplaces, and vertically integrate tech and media across the advertiser value chain
 - **Financial buyers / investors** are relatively active in high-growth areas of the industry (e.g., data privacy, CTV / Digital Video), and present a layer of complication for AT&T during any bidding / partnership process
 - **HoldCos** (e.g., IPG) are using M&A as a means of providing additional value to their brand clients, focusing primarily on data / data safe haven provider acquisitions

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REDACTED

Pricing and Business Model: Approach and Methodology



Guiding Questions

Approach

REDACTED



What are the current pricing practices and business models across our products?



How does our pricing compare to competitors across products?



What value drivers are most important to our customers, and how do we compare to our peers across these metrics?



How can Xandr improve across product and pricing to extract value and gain share?

Xandr Buy-side Pricing Summary



DSP

Revenue primarily earned through BASC, supplemented by additional fees for data, licensing fees for small customers to incentivize volume, and creative fees

TV*

DDL Revenue earned through combination of monthly licensing fees, planning and cross-seller optimization fees, and additional data fees with select agencies

SSP for Buyers (TBD)

Revenue generated in Monetize through take rates from third-party bidders, auction service charges, and spend commitments

Buyer Auction Service Charges ("BASC")

- Cost to buyer for using our auction service (taken as a bid deduction)
- Rate is calculated off on the winning bid, known as "first-step pricing"
- Rates range from REDACTED depending on monthly buyer revenue as well as region

Log Level Data (LLD) Fees

- Fixed monthly fee (ranging from REDACTED based on customer size) for LLD collected on every ad request

Creative Fees

- Cost to buyers for hosted video, in the range of REDACTED CPM

License Fees

- REDACTED month license fee for small customers to cover costs for customer support

Monthly Licensing Fees

- Target and OMG charged fixed monthly fee (REDACTED month) until adoption is scaled
- All other buyers not charged

Planning and Optimization Fees

- All agencies and DSPs charged REDACTED for scheduling / deployment optimization

Data Fees

- REDACTED
- All other buyers not charged

Potential Future Additions

- Data service fees
- Fixed-fee license for buyers with large annual budgets
- Increased take rate for media plan decisioning
- Discounts to take rates associated with cross-platform use

Bidders: BASC + Creative Fees

- See DSP column for BASC definition
- Standard pricing is REDACTED although rates range from REDACTED
- REDACTED varying by monthly buyer revenue and region
- Creative fees are costs to buyers for hosted video. Typically in the range of \$0.25

Curation Partners: BrASC or SASC Cap

- Cost to broker for using our auction service (taken as a bid deduction)
- Rate is calculated off on the winning bid, known as "first-step pricing"
- Typically in the range of REDACTED

HoldCos: SASC Cap + Spend Commits

- When an ad is served after running an auction is run, a charge is calculated off on the winning bid, known as "first-step pricing", constituting a SASC (seller auction service charge)
- Tiering from REDACTED for SASC Caps, as buyers scale their relationship with Monetize

Revenue
Distribution
by Fee Type
(2019)

REDACTED

Confidential

Xandr Sell-side Pricing Summary



| Business Model Summary | Yield Analytics | | SSP | | TV / clypd |
|--|---|---|---|---|------------|
| | Ad Server | | | | |
| Current Business Model & Pricing Structure | <p>Revenue primarily earned through Xandr serving ads running an auction, resulting in a SASC, or through guaranteed campaigns, resulting in Ad Serving fees</p> | <p>Revenue primarily earned on a CPM basis calculated off of total monthly impressions used for analysis to generate insights</p> | <p>Revenue primarily earned through Xandr serving ads through running an auction, resulting in a SASC</p> | <p>Revenue primarily earned from license fees and take rates, although monthly minimums and on-boarding fees also apply</p> | |
| | <p>Seller Auction Service Charges ("SASC")</p> <ul style="list-style-type: none">Charged when an ad is served after running an auction is runRate is calculated off on the winning bid, known as "first-step pricing"Rates range from REDACTED depending on monthly seller revenue as well as region | <p>SASC</p> <ul style="list-style-type: none">Charged when an ad is served after running an auctionRate is calculated off of the winning bid, known as "first-step pricing"Display rates range from REDACTED based on monthly seller revenue and regionDifferentiated Deals (usually REDACTED below RTB) & Programmatic Guaranteed ("PG") rates are available (range from REDACTED based on tiered rate card) | <p>License Fees</p> <ul style="list-style-type: none">Flat license fee charged to each clypd customerRates varied based on programmer, often REDACTED month <p>Take Rates</p> <ul style="list-style-type: none">Charged as a percent of spendRates range from REDACTED based on volume and type of impression (e.g. Open Market, DDL) | | |
| | <p>Ad Serving Fees</p> <ul style="list-style-type: none">Charged when an ad is served through a guaranteed campaignDisplay rates range from REDACTED CPM depending on number of monthly impressions; video ad serving requires higher rates | <p>Ad Serving Fees</p> <ul style="list-style-type: none">Charged when there is no winning bid, or for managed campaigns which do not require an auctionDisplay rates range from REDACTED CPM depending on number of monthly impressions; video ad serving requires higher rates | | | |

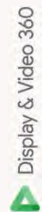
Revenue Distribution by Fee Type (2019)

REDACTED

Our video DSP is gaining traction, but lags behind the top tier of industry leaders



Weighting



Video DSP Industry Pricing Overview



REDACTED

REDACTED

- Bid Shading
- Data Fees
- Managed Service
- Sequential Score
- Payment Terms
- Base BASC

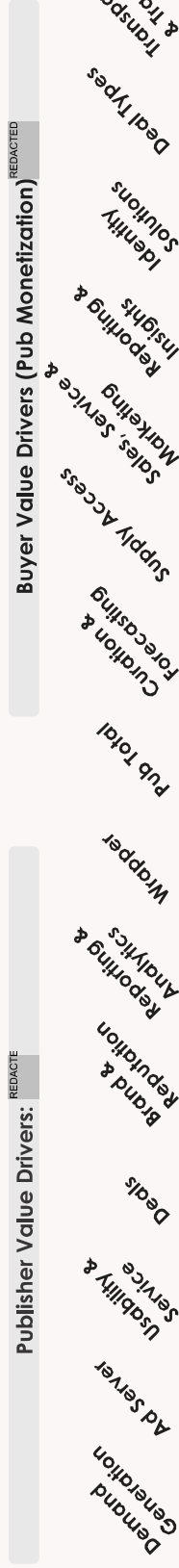
Key Implications

- BASC pricing is similar across the industry, but players vary in the extent to which they charge additional fees and incentivize spend
- Select players collect additional fees, including a managed service fee, data fees, bid shading (*TTD only*), creative hosting, which can raise the total cost of using their DSP
- Players with varied inventory and tech product offerings bundle pricing to incentivize end-to-end use and strengthen demand for sell-side solutions (DV360 with social, search, YouTube AdX; Amazon with owned search and CTV / OTT; Adobe with enterprise products)
- Buyers are willing to pay a premium for DSPs that make it easy to showcase the value and impact of their investments (TTD and DV360), though there isn't a great deal of flexibility for less compelling players to lower their pricing in an already low margin business
- In order to gain share, Xandr must continue to invest in increasing its value proposition

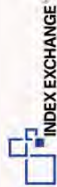
Source: Internal Analysis completed with key commercial and product leaders based on industry research; and publicly available information numbers reflected are estimates only

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Xandr's video SSP continues to lag behind market leaders, with buyer value drivers growing in importance for video monetization



Weighting



Video SSP Industry Pricing Overview



Price = SASC + Payment Terms

Price Breakdown



Ad Serving Fee (CF)
■ Payment Terms
■ Base SASC

Key Implications

- Publisher focused value drivers are becoming increasingly commoditized with platforms differentiating by focusing on buyer-focused offerings and demand generation
- Though the ad serving business is not high margin, it does create increased stickiness with publishers and increases the value and likelihood of use of their SSPs
- Supply-side players that have a integrated offering with other products can offer compelling incentives (e.g. Google offers minimal Ad Serving fees to incentivize AdX spend)
- Some SSPs offer revenue guarantees to incentivize platform usage and win deals (e.g. Verizon Media)

Source: Internal Analysis completed with key commercial and product leaders based on industry research; and publicly available information numbers reflected are estimates only

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Invest TV is positioned well to lead in the converged TV space, though digital incumbents are quickly increasing their relative value



Inventory +
API + Deals
Functionality

Planning &
Forecasting

Data

Scale & Offering
Breadth

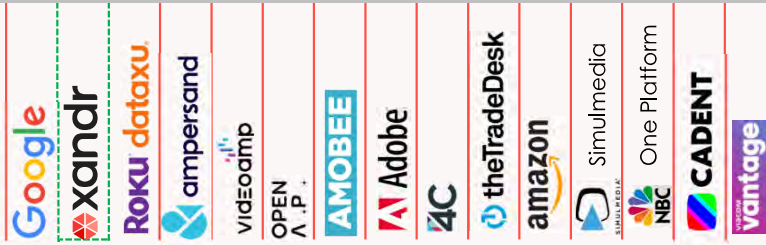
Usability &
Service

Attribution &
Measurement

Industry
Positioning

Combined
Score

REDACTED



Invest TV Industry Pricing Overview



REDACTED

Price Value Map (DDL)

REDACTED

Key Implications

- Pricing across buy-side TV platforms varies significantly by format, with DDL platforms commanding the lowest fees and often not charging buyers for platform usage in order to help drive demand to sellers, where fees are extracted
- Buy side TV platforms can employ licensing fees rather than traditional take rates to extract value from buyers and incentivize increased spend volume
- Business models in the TV platform market are expected to evolve rapidly over the next 12 months as converged Linear + Digital offerings begin to reach the market
- Players in the more nascent digital space such as Roku may change industry dynamics in dropping CPM significantly to drive adoption

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The sell-side of the TV Platform is also well positioned in the converged TV space, though offerings are more clearly delineated by format represented



Inventory
Control &
Demand
Generation
Data
Planning & Yield
Efficiency &
Automation
Reporting,
Analytics &
Attribution
Usability &
Service
Combined
Score



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Sell-Side TV Platform Industry Pricing Overview



Price Value Map (Addressable & Digital)

Take Rate by Player

REDACTED

Key Implications

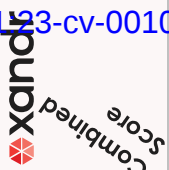
- Sell side fees are more established in the TV platform space, though many of the original platforms emerged as internal tools for media owners and distributors
- Similarly to the buy side, DDL commands lower lowest fees than Addressable or Digital

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Media Products Value Rankings



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Key Takeaways: Pricing & Business Model



- Across platform offerings, base industry pricing has become increasingly transparent and standardized, with little room for differentiation or adjustment

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- With competitive pricing in place and increasing compression of tech fees, many platforms aim to extract value through additional levers, such as managed service and data fees

- Industry leaders have emerged in each segment of the market, typically differentiated by exclusive access to proprietary data and media assets

REDACTED

- Scaled platforms are successfully bundling products to offer pricing incentives and create increased customer stickiness across offerings

- Larger players with an increased breadth of offerings can create incentives for customers by bundling various products or offering tiered pricing

REDACTED

Marketplace Dynamics & Forecast: Approach and Methodology¹



Guiding Questions

Approach

? How does advertising spend currently flow through Xandr's business?

? What is the customer and geographic distribution of advertising spend?

? What are the implications of current spend distributions across customers, formats, and geographies?

? How might Xandr's spend distribution evolve over the coming years?

? How do these dynamics impact the combined Xandr and WarnerMedia advertising business?



REDACTED

Preliminary Xandr-only findings based on aggregated data science, Xandr Finance, and WM data, to be used for directional analyses only

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Key Takeaways: Marketplace Dynamics & Forecast



- **The characteristics of our marketplace present challenges and the need to continue to adjust our course to fuel future growth**

- **REDACTED** spend is attributable to indirect sources, such as independent trading desks, that are being pressured out of the market and represent low margin business
- Spend is highly weighted towards Display and Linear TV, both of which are in steep decline, with inventory highly dependent **REDACTED**h DTV, which is facing increased subscriber declines
- Without significant owned TV assets, international markets have increased reliance on display advertising from indirect buyers, as well as third party supply

- **With recent strategic pivots and investments, spend globally has begun to shift to more desirable segments**

REDACTED

- **Recommendations/Implications for Future State**

- Agencies remain a strategic client set to sustain growth, while marketers will become increasingly important as in-housing continues

REDACTED

- O&O supply will be needed to anchor our marketplace and attract incremental demand, as well as third party inventory
- Though O&O inventory will serve to anchor the marketplace, third party supply will become increasingly important relative to declines in TV, as digital media growth is not expected to offset linear declines in the near term
- Though display will remain a significant component of the programmatic platform, with more resilient demand internationally, spend shift toward high-growth digital formats (i.e. audio, gaming, OOH) will be required and will become increasingly demanded as part of cross-screen campaigns

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